

- Situation: One of the principal responsibilities of the Board of Governors (BOG) is to "develop, prepare, and present to the Governor and the General Assembly a single, unified recommended budget for the constituent institutions of the University of North Carolina" [G.S. 116-11(9)a]. In odd numbered years, the Governor recommends and the General Assembly enacts a biennial (two-year) budget. In even numbered years, adjustments are made to the budget for the second fiscal year of the biennium.
- **Background:** The Governor's Office of State Budget and Management (OSBM) distributed 2016-17 Short Session budget instructions on December 22, 2015. Those instructions outlined the format and timeline that all state agencies, higher education entities, and the public school system must follow when submitting budget recommendations. To meet the Governor's budget preparation timeline, OSBM initially required all budget recommendations be submitted to them by late February. However, they have been flexible working with the UNC system, understanding the complexities around our leadership transition as well the required review by the Board of Governors. Hence, UNC has only submitted DRAFT initial recommendations to this point; final recommendations will be provided after review and approval by the Board of Governors.
- Assessment: As currently enacted, UNC's FY 2016-17 budget of \$2,586,888,173 is about \$43 million below FY 2015-16 levels (-1.6%)¹. Major changes include additional management flexibility reductions (similar to a negative reserve) of \$28.6 million and a cut associated with a cap on state spending for private fundraising of \$16.4 million.

The working draft of the FY 2016-17 recommended adjustments (included in the attached document) represent an increase of about \$65 million (2.5%) over FY 2015-16 levels. The majority of these funds are related to compensation increases. Excluding compensation, this recommendation represents an increase of 0.26% (\$6.7 million) over FY 2015-16 levels and a decrease of \$34.5 million from UNC's original request for FY 2016-17.

Action: This item is for discussion only.

¹ Excludes Aid to Private Institutions of \$116.7 million in FY 2015-16 and \$127.4 million in FY 2016-17. Includes \$31,000,000 in a separate reserve to fund enrollment change in FY 2016-17.

University of North Carolina DRAFT Recommended FY 2016-17 Operating Budget Priorities

The future growth of North Carolina's economy is dependent on producing more college graduates. The UNC System produces over 52,000 graduates annually and our six-year graduation rate of 63% exceeds the national average. However, this success is uneven. We can and must do better. Implementing aggressive strategies to close the achievement and skills gap and to improve completion rates across our universities are required to meet our state's workforce needs.

Budget Priorities

1. Education Attainment = Growing NC's Economy	\$29,000,000
a. Innovative Intervention Strategies to Improve Completion Rates	18,000,000
b. Build Data-Centric Systems of Success and Accountability	3,000,000
c. Leveraging Technology and Learning Innovations to Get Part-Way Students Home	3,000,000
d. STEM and Health Degrees Merit Scholarship Program	5,000,000
2. Retain Top Talent	\$61,236,216
a. 2% Compensation Adjustment Reserve	58,236,216
b. Faculty Recruitment and Retention Fund	3,000,000
3. Technical Adjustments	\$17,688,982
a. Fully Fund Enrollment Change (in addition to 2016-17 reserve)	1,334,586
b. Eliminate Private Fundraising Cap	16,354,396

In total, including compensation adjustments, these priorities represent a 2.5% increase from FY 2015-16. Excluding compensation, we are requesting \$6.7 million more than our FY 2015-16 budget and \$34.5 million less than was originally requested for FY 2016-17.



1. Education Attainment = Growing NC's Economy

Innovative Intervention Strategies to Improve Completion Rates

These funds will provide seed funding to our universities to improve completion rates, using a researchbased tool box of strategies. Examples include:

- First-year course enhancements (redesigns, seminars, early alerts)
- Academic enrichment services (tutoring, advising, proactive outreach)
- Merit-based financial interventions (summer, emergency, be-on-time loans)

Build Data-Centric Systems of Success and Accountability

These funds will be used to improve overall student success through targeted evaluation and programs focused on high impact practices. We will form partnerships with organizations that provide capacities for predictive analytics, which will allow our universities to link students with the proper services to improve completion rates.

Leveraging Technology and Learning Innovations to Get Part-Way Students Home

These funds will invest in more flexible academic pathways for students and deepen efforts to recruit, retain, and graduate "partway home," military-affiliated, and other non-traditional students. Special emphasis will be on program development in high-demand fields (based on the skills that graduates need for successful careers throughout the state and region).

STEM and Health Degrees Merit Scholarship Program

These funds will provide a minimum of 4,000 merit-based scholarships (at least 1,000 per year, over four years) to encourage academically gifted and highly sought after STEM, Health, and Education degree-seeking students in those fields to attend UNC institutions. Our universities shall seek private donations to match these scholarships, with a goal of enabling superior, academically qualified resident undergraduate students to complete their degree debt-free.

2. Retain Top Talent

2% Compensation Adjustment Reserve

The funds will provide for salary increases for UNC employees: merit-based adjustments for EHRA faculty and staff and adjustments for SHRA employees as allowed by law.

Faculty Recruitment and Retention Fund

These funds will improve UNC's ability to recruit and retain nationally-recognized faculty. The fund was established in FY 2006-07 with \$5 million, and has received \$8 million in additional appropriations and made over 500 awards. As of January 2016, the unobligated monies remaining in the fund were \$721,584.

3. Technical Adjustments

Fully Fund Enrollment Change

\$31 million was appropriated to a reserve for FY 2016-17 enrollment funding, based on projections completed in Fall 2014. Based on updated data, an additional \$1.3 million will be required to fully fund enrollment. Total budgeted enrollment will increase 1.5%, from 203,014 FTE to 206,094 FTE.

Eliminate Private Fundraising Cap

Fundraising gifts, commitments, and pledges increased last year 27%, from \$649M to 822M systemwide, with a return-on-investment of \$10.39 to \$1. However, the 2015 Appropriations Act capped campus state appropriations support of advancement activities to \$1 million, and cut \$16.4 million from our budget. Eliminating the cap and the associated reduction will enable our universities to continue their strong private fundraising efforts.

\$3,000,000

\$58,236,216

\$1,334,586

\$16,354,396

\$18,000,000

\$3,000,000

\$3,000,000

\$5,000,000

Policy Brief on Completion: Education Attainment = Growing NC's Economy

University of North Carolina **Education Attainment = Growing NC's Economy** A Call to Action: Improve Degree Completion Rates to Meet State's Workforce Needs

Background

The future growth of North Carolina's economy depends on more college graduates. Currently, the UNC System produces over 52,000 graduates annually; our four-year graduation rate of 41 percent and six-year graduation rate of 63 percent both exceed the national average. However, this success is uneven. Several universities have four-year rates below 25 percent and six-year rates below 40 percent. We can and must do better. Implementing aggressive strategies to close the achievement and skills gaps and to improve completion rates across our universities are required to meet our states' workforce needs.

Growth, Change and Achievement Gaps

Today, North Carolina is expanding and changing in ways that challenge our public institutions. Now the ninth largest state in the union, having recently added our ten millionth resident, North Carolina will have a population of more than 12 million within twenty years.¹ Much of that influx is concentrated in the state's urban areas, with metropolitan regions straining to expand even as many rural counties struggle to attract residents.

Jim Johnson, a highly respected demographer and economist at UNC's Kenan Institute for private Enterprise, has written about that geographic divergence, as well as the "browning and graying" of North Carolina – the demographic reality of our state becoming older and more diverse in the years ahead.² The retiring of the Baby Boom generation is going to leave the United States and North Carolina with tremendous demand for well-educated young people ready to enter the workforce.

And that rising generation will be more diverse, from a wider variety of backgrounds, than any in our nation's history. In North Carolina, more than 60 percent of our population growth from 2000 to 2010 came from non-white residents, with Hispanic and Latino residents alone accounting for almost 30 percent.

Those trends have already changed the face of our public school system, with minority students accounting for nearly all of the growth since the turn of the millennium. These students – the sons and daughters of North Carolina – are the future of this state, and our universities must be ready to serve them.

That will mean addressing persistent achievement gaps – between black and white, urban and rural, rich and poor – that have plagued our schools and slowed our economy for much too long. What has always been a moral truth – that our institutions should serve all citizens with equal force and faith – is now a simple demographic and economic necessity.

As President-elect Margaret Spellings said, "educating elites is no longer the only game in town. It's simply not enough. In a global economy, we are required to help many more people – particularly

¹ <u>http://osbm2.osbm.state.nc.us/ncosbm/facts and figures/socioeconomic data/population estimates/demog/countytotals populationoverview.html</u>

² <u>https://www.northcarolina.edu/sites/default/files/documents/disruptive_demographics_and_nc_education_challenges_ga_student_success_.pdf</u>

people of color and those from first-generation and low-income backgrounds – to achieve at much higher levels. We have not done this well in the past, and we continue to fall short even now."

A Stronger University, a Stronger State

A college education is a boon not only to individual students, but to our entire state. Across the ideological spectrum, economists and historians agree that educational attainment leads to more dynamic, more prosperous communities.

Standard & Poor's estimated that boosting U.S. educational attainment by one percent would add halfa-trillion dollars to GDP, accelerating economic growth by more than two percent. College graduates earn more over a lifetime, which is especially important at a time when median incomes across North Carolina and the country are flat or declining. And the benefits accrue to future generations, with the children of college graduates more likely to earn a degree and achieve economic security.

Here in North Carolina, we saw vivid evidence of the impact of education on economic well-being in the grueling aftermath of the Great Recession. In 2013, with the state's overall unemployment rate still at eight percent, North Carolinians with a high school education were at 10 percent; a bachelor's degree had just 4.4 percent unemployment; those with a professional or doctoral degree, less than 2 percent.

A History of Ambition

In 1940, just before the United States entered the Second World War, 64 percent of American adults lacked a high school diploma.³ Fewer than three in five of our citizens made it through the twelfth grade, and only six percent went on to earn a bachelor's degree.

Today, only two generations later, almost 90 percent of Americans graduate from high school, and more than a third go on to complete college. That represents an expansion of human capacity, a broadening of knowledge and skill, a flourishing of thought and achievement unrivaled at any other time in history. Such an achievement would hardly sound possible, except that we actually did it.

North Carolina has an especially strong history of educational progress, having overcome a legacy of poverty and demographic decline to become one of the fastest-growing states in the country. Generations of Tar Heels worked to build world-class public universities and community colleges, making far-sighted investments that have come to define our state.

"The greatness of a college," said UNC President Edward Kidder Graham, "depends upon its ability to satisfy the supreme human need of the people and time it serves." The University has always held to that ideal, aiming through teaching, research, and public service to meet the growing demands of a growing state. From the nation's first public campus in Chapel Hill, founded with the hopes and ambitions of a new democracy, the University of the People has grown to 17 campuses in every corner of the state.

³ <u>http://trends.collegeboard.org/education-pays</u>

Our Commitment

Over the next six months, we will work with each of our chancellors and Board of Governors to set higher four- and six-year graduation rate goals. Completion rate improvement goals will also be established for transfers and other nontraditional students with an emphasis on reducing time to degree. In establishing specific goals and the accountability that comes with them, we will allow our institutions to draw on their particular strengths and respond to their unique challenges. We will provide them the tools and resources and look forward to the results.

NC Employment by Educational Attainment and UNC Graduation Rates

2013 NC Unemployment Rate



2014 NC Median Earnings in Inflation-Adjusted Dollars

First-Time Undergraduate Six-Year Graduation Rates by Ethnicity

First-Time Undergraduate Six-Year Graduation Rates by Pell



Source: UNCGA Institutional Research

80%

WORKING DRAFT – Subject to review and approval by the Board of Governors

Additional Information in Support of Draft UNC Budget Priorities

Priority 1: Education Attainment = Growing NC's Economy

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b.	Build Data-Centric Systems of Success and Accountability	. 16
c.	Leveraging Technology and Learning Innovations to Get Part-Way Students Home	. 20
d.	STEM and Health Degrees Merit Scholarship Program	. 25

Priority 2: Retain Top Talent

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b.	Faculty Recruitment and Retention Fund	. 27

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Evidence-Informed Intervention Strategies to Improve Completion Rates

I. What influences completion? Many factors, based on research, impact student success and important elements can be categorized into the following key areas:

- a. Student characteristics
 - i. Academic performance
 - 1. First-year (completing first year significantly increases persistence and completion)
 - a. F in one course
 - b. GPA
 - c. SCH attempted/earned
 - d. Drops, WDs, incompletes
 - e. FT/PT status
 - 2. Beyond year one (as above)
 - 3. Stop out duration
 - ii. Structural
 - 1. SES -- Financial (e.g., unmet need)
 - 2. Work Hours
 - 3. Commuting
 - iii. Non-cognitive factors (recent tested interventions proven successful for first-year retention, and some are emerging practices)
 - 1. Academic mindset
 - 2. Perseverance
 - 3. Resilience
 - 4. Motivation
- b. External factors
 - i. High school preparation
 - 1. Math placement
 - 2. Writing placement
 - ii. Number of other institutions attended
 - iii. External responsibilities (e.g., family structure, dependents, caregiving)
- c. Institutional Factors
 - i. Advising quality (academic, career, other)
 - ii. Degree program clarity; General Education
 - iii. Financial Aid
 - iv. Faculty Integration
 - v. Integration into extra- and co-curricular activities
 - vi. Engagement with faculty and staff
- d. Shared External-Institutional Factors
 - i. Work Hours
 - 1. Total
 - 2. On-campus employment
 - ii. Intentions (not aspirations)
 - iii. Core math early completion

II. What Are High Impact Practices (HIPs) for Student Success (*applicable to all years)? Note: High Impact Practices are designated so based on research literature.

- a. First Year Focus on enhancing student engagement and decreasing risk of F grade
 - i. Active learning strategies in teaching
 - 1. Example: course redesign including use of personalized/adaptive learning solutions, competency based approaches
 - ii. Summer bridge programs
 - iii. New student orientation
 - iv. Advising*
 - v. First year seminars
 - vi. Learning communities
 - vii. Residential learning programs
 - viii. Early alert warning systems: in courses and overall*
 - ix. Second year and beyond transitions*
 - x. On-campus employment*
 - xi. Block or cohort scheduling
- b. Other mechanisms (can apply to other years and tailored for transfer, military, stop-outs and other special student groups)
 - i. Policy interventions (e.g., complete core math requirement within three semesters; waiving parking fines that block ability to register for courses; extender programs for high Drop Fail Withdraw (DFW) courses)*
 - ii. Financial aid (summer and emergency funds) and planning*
 - iii. Degree maps and audits*
 - 1. Example: students with 90 or more SCH
 - iv. Outreach to marginal students (e.g., GPA 2.0-2.2)*
 - v. Course format and duration changes*
 - vi. Interventions for non-cognitive factors that impact success (e.g., academic perseverance, growth mindsets, resilience)

III. What's Needed? An Assessment, Plans, and Measurement for Continuous Quality Improvement

A menu approach to choose evidence-informed interventions to enhance degree completion is needed given the diversity of universities, their missions, and their student bodies. There is a critical need to have institutions do careful assessments of current practices, evaluate data and outcomes of those practices, and develop a comprehensive plan for enhancing degree completion. Part of the plan will also be to continue or retool existing practices (based on evidence), identify practices not currently in use to implement, and set clear goals and measurement strategies to achieve improvements in persistence, retention and completion. Plans would be reviewed by the UNC system office and external expert consultants in order for universities to access funding.

The careful assessment is critical for several reasons. First, for many institutions the student body mix has changed dramatically. At many institutions, nearly 50% or more of degrees awarded are not to first time in college students (who are the only group, if they begin in the fall semester only, to count in a graduation rate), the average age of student is higher, and the number of hours that students work has seriously increased. Important work from several institutions, funded by the Lumina Foundation, showed that some traditional predictors of completion did not apply to their student bodies: parental education, having a dependent, and standardized test scores. Also, the level of unmet need has increased for more students, across more income quartiles, with decreases in state financial aid and the 'buying power' of Pell for lower income students. National data show that even if you are in the top quartile of math performance, but in the bottom quartile of income, your graduation rate is 41%; if you are in the third quartile for math performance but in the top income quartile, your graduation rate is 41% (NCES, Department of Education 2015). Second, the importance of utilizing all institutional inputs, ideally with benchmarks and comparisons to peer institutions, as critical as outcomes, like time to degree, are scrutinized (Flores 2014). For example, one institution has designated an out-of-state institution as its peer. However, the out-of-state institution has an endowment of \$350 million while the UNC institution's is \$45 million. That input could impact student outcomes.

Overall, as recent reviews by Gates, Lumina, U.S. Department of Education and research literature have shown, a research-based multi-pronged strategy for enhancing completion is necessary. The approach must be to determine what works, for which students, and under what circumstances.

- a. Example outline of a plan:
 - i. Mission and student characteristics (first time in college (FTIC), transfers, other)
 - 1. Context (socioeconomics) and culture of region/city
 - 2. Makeup of student body
 - ii. Review of metrics related to completion
 - 1. First year retention (and other)
 - 2. Degrees awarded
 - 3. Time to degree
 - 4. Graduation rates (21st century approach to include students who graduate from another institution)
 - 5. % of degrees awarded that are to FTIC
 - iii. Challenges to Persistence and Success
 - 1. Identify specific challenges or obstacles to persistence and success
 - 2. Do any of those contribute to, or stem from, systemic problems? Challenges may originate in student characteristics, academic preparation, specific courses, degree programs, or other aspects of student life or institutional support.
 - iv. Existing Initiatives and Interventions (at institutional level)

- 1. What existing initiatives (academic and non-academic programs and services) have you enacted to address the challenges outlined above? Is there research evidence to support the choice of these initiatives?
- 2. How effective are those existing initiatives? Provide data.
- 3. How can these initiatives be improved to address the needs of students to enhance degree completion?
- 4. What initiatives exist at the departmental and college/school levels that address the challenges? Provide effectiveness data.
- 5. Can these be scaled up to the institution level, and if so, how?
- 6. Please provide a short (no more than 1 page) synopsis of advising, given the current work on advising by you and the BOG subcommittee.
- v. New Initiatives
 - 1. What new initiatives is the institution planning to implement to increase completion?
 - 2. What specific challenges from above will these initiatives target?
- vi. Ongoing Assessment
 - 1. How will all of the initiatives (existing and new) be assessed? How often? What measures will be used to determine whether an initiative has been effective?
 - 2. Include a time-table and performance benchmarks for all initiatives the institution has in place or plans to implement for the purpose of this plan to improve completion.

Priority Initiatives	Target Mechanism	Measures (examples)	Amount Requested
<u>First-Year Course</u>			
<u>Enhancements</u>			
Course Redesign:	Decrease risk of DFW, especially F	% students passing course,	\$3,000,000
- Math	grade; promote active learning	fall-spring persistence,	
- High DFW courses	strategies; may reduce costs if	earlier completion math core	
	personalized learning courseware	course, overall GPA	
	like OpenStax and Acrobatique used		
First Year Seminars	Contents can cover study skills; active learning	As above	\$500,000
Early alerts in courses (e.g.,	Engagement of students early	As above	\$500,000
Starfish Zoom In)	(before mid-terms)		. ,
Jumpstart Summer	Prepare students for full course load;	Persistence, retention, better	\$1,000,000
Programs – focus on hybrid	active learning	attempted/completed SCH	
design		ratio	
Teacher education clinical	Like intensive internship	Increased retention in	\$300,000
practice programs		teacher ed programs	
Learning communities	Multi-pronged engagement in group	Persistence, retention, GPA,	\$750,000
	learning too	better attempted/completed	
		SCH ratio	
Block-cohort scheduling	Efficiency for commuting and	As above	\$250,000
	working students – e.g., have all		
	classes three days a week		
Other (e.g., pilot test			\$500,000
innovations)			
<u>Academic Enrichment</u>			
Services			4
Tutoring (including e-	Increase academic engagement	Pass rates, persistence,	\$3,000,000
tutoring, supplemental		retention	
Instruction)			¢2,000,000
Advising (Integration with	Improved planning, course selection	Decrease stop-outs (If	\$3,000,000
career, inancial planning	and more	switching majors	
Proactive outreach to	Preventive approach by not waiting	Decrease stop-out rates and	\$500,000
students at the edge	for students to make probation	duration	\$300,000
Assistive enrollment	Engage students regularly by pushing	As above	\$500.000
technologies (e.g. program	out course needs schedules and	A3 00000	\$300,000
automatic audits and	active outreach.		
design maps)			
Transfer Navigator	Students who start at UNC still have	Less total SCH, reduce time	\$1,500,000 (need
0	shorter time to degree	to degree	share from NCCCS)
Interventions to enhance	Multiple targets	Retention, time to degree,	\$1,000,000
non-cognitive factors (e.g.,		better academic	
academic mindsets and		performance (e.g., GPA),	
resilience)		engagement in co-curricular	
Merit-based Financial	Mitigate unmet need	Reduce stop-outs, decrease	\$2,000,000
Interventions	Reduce loan burden	excess work hours,	
- on-campus employment	Can prioritize for high workforce	retention, time to degree	
- summer funds	needs		
 emergency funds 			
- be-on-time loans			
- internships			
		TOTAL	\$18,000,000

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What Matters to Student Success: A Review of the Literature; G. Kuh, J. Kinzie, J. Buckley, et al.; 2006

Build Data-Centric Systems of Student Success and Accountability

I. Using Data and Analytics Solutions for Evidence-Based Programs and Policies

Background and Significance:

With the continuously changing landscape of public higher education and the importance of outcomes such as completion rates, 'student success' has become a mantra and led to the emergence of tools for 'predictive analytics' and more. The challenges for systems and individual institutions to move the needle on outcomes include: the diversity of institutions (capacities, readiness, history of evidence-informed programming, even high impact practices [HIPs]), available data (quantity and quality), and the costs of proprietary tools (e.g., estimate of one was over \$2.4 million/year for UNC). For many reasons, there has been less than ideal linkage of data analyses to drive or stop programming and/or to develop practical, even home-grown, tools to help services such as advising and curriculum reform to improve persistence/retention, and completion.

Consider the following real-world scenario of another public four-year university. The head of a well-regarded social sciences department asked why undergraduate time-to-degree for her department was longer than some other departments when the number of required courses for the major was the same and her student profile appeared stronger. Using an analytics solution, she found that a sizeable number of students were waiting to take the required statistics course which was a prerequisite for the required research methods course until their junior or senior year. Those two courses were prerequisites for several other upper level courses for the major. In addition, she found that advisors were allowing students to take the two courses simultaneously, resulting often in two failures. The changes that ensued were in several areas such as advising, policy development, new tutoring and longer term course scheduling. Even after one semester, positive change was seen. Many other cases have shown that the 'obstacle' is not even in the home major or department, but one needs robust capacity and sophisticated technological solutions to mine the course data, sometimes over a ten year period.

The University of North Carolina is well positioned to leverage unique strengths such as its dashboards and student data mart. New reports indicate the importance of common data structures, a practical action, but also the need to utilize solutions in order to 'advance cultures of innovation' and 'rethink how institutions work'. The goal is to have, within three years, all 16 universities engaged in a meaningful plan for student success with the support of analytical solutions to drive program effectiveness and outcomes. We see this as a whole university enterprise initiative, one that can not only help address the increased competition (e.g., out-of-state institutions coming into North Carolina), but also provide new levels of transparency and more fine-grained institutional reports to actually assess effectiveness and outcomes. Within 12-18 months, one would see institutional reports answering key questions around where first to intervene for students' success.

II. What's Needed?

<u>Approach</u>: Two highly publicized and costly proprietary solutions exist (two campuses have subscribed to one company's product), but UNC now has other opportunities. UNC has hosted three main analytics solutions providers and all UNC universities attended that meeting. The technology solution is only the first step. A two-pronged approach is needed to harness the full potential of technology: assessment and facilitation of data-centric campus cultures and a structured rubric to guide solution implementation and evaluation. What's needed:

- Assessments of capacity of institutional research, leadership in the Provost office, history of efforts, inventory of current tools (e.g., early warning system)
- A written multi-level student success plan with items such as identification of desired outcomes, individual non-curriculum program assessments, especially of HIPs, curricular improvements at course and degree level
- Match to one of three solution options:

1. PAR Framework and its Student Success Matrix (recently signed on UMd system and much lower cost)

2. Consideration of high cost products (average cost for university with 18,000 undergraduates close to \$200,000 annually; similar systems (by undergraduate enrollment) in other states have >\$2,000,000 contract)

3. 'Home grown' solutions that meet a priority need shared by multiple institutions (e.g., persistence tool for re-enrollment). For example, other institutions have developed, in-house, contextually relevant solutions (e.g., student success tracking tools, multi-level dashboards down to department levels, not just university or college levels).

Finally, research shows that over 50% of software implementations, across industries, fail. Careful assessment and structured plans, along with possible incentives for both change management and tool deployment are needed. These plans will also have an engagement component for top-down, bottom-up and side-to-side efforts and outcomes selection (i.e., one size does not fit all).

Priority Initiatives	Target Mechanism	Measures (examples)	Amount Requested
			Requested
Analytics Solutions			
Multi-year contract to phase in 4 institutions in first year, then 6 in each of the two following years	Engage institutions for an evidence based student programming approach	Enrollment of non- traditional students, degree attainment	\$1,500,000
'In House' Solutions Examples: will need programmers, specialized coding, coordinators	As above	As above	\$500,000
<u>Development and</u> <u>Training in Use of New</u> <u>Technologies</u>	Target early adopter faculty, staff and students		
Consultants			\$500,000
New program and professional development (e.g., on line modules, manualized process protocols,			\$500,000
		TOTAL	\$3,000,000

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Moving the Needle on Predictive Analytics, American Council on Education 2015

Building a Smarter University: Big Data, Innovation, and Analytics, 2014 SUNY Press

Predictive Analytics for Higher Education: Data Driven Decision Making for the Student Life Cycle 2013 Eduventures

Predictive Analytics for Student Success, University of Maryland

Leveraging Technology and Learning Innovations for Getting Part-Way Home (PWH) Students Home

I. Who are Part-Way Home Students and Why Do They Stop Out?

 a. <u>Scope of the Problem</u>: The 2011 analyses of the American Community Survey estimate over 1.5 million North Carolinians have college credits and no degree. Using a high threshold of 90+ credit hours, minimum GPA of 2.0, and duration of stop out of at least a year, we found 9,002 PWH students from 2009-10 through 2014-15. If we reduce the number of credit hours to 60 (half-way), we find nearly 13,000 students who have stopped out.

b. Characteristics of UNC PWH students (90 credits):

- i. Average 115 credit hours
- ii. Average GPA near 2.5
- iii. Large amount of unmet need nearly \$14,000
- iv. Large proportion of transfer students (while varied by campus from 25% to nearly 50%)
- v. No single major dominated (across all campuses) or reached even 10% PWH students. Top five majors (from more than 30):
 - 1. Business
 - 2. Psychology
 - 3. Biology
 - 4. Elementary Education
 - 5. Criminal Justice
- c. <u>Reasons for Stopping Out</u>: Results from a Noel Levitz Survey and the literature supports main reasons from that study.
 - i. Finances (42%): costs, financial aid
 - ii. Family demands (38%)
 - iii. Other competing demands (e.g., full time work)
 - iv. Other
 - 1. Credit transferability
 - 2. Availability of courses to match schedule
- d. Potential Challenges to Return:
 - i. How much financial aid still available
 - ii. Academic eligibility (need to meet minimum GPA for graduation)
 - iii. Availability of courses and programs in desired formats

II. What Are Recommended Practices for Getting Students to Return and Finish Their Degrees?

- a. Student Centric Programming
 - i. Need data from actual PWH students on preferences for completion and segment into sub-groups using that information and critical factors (e.g., no more financial aid available)

- ii. Map preferences, current status of students' progression, to offerings not just at home universities, but all universities. Example: while psychology is a top major among PWH students, only one online psychology program exists in the entire UNC system.
- iii. Tailored and personalized advising
- b. Course and program efficiencies and innovations
 - i. Duration and design of courses (e.g., 8 week formats)
 - ii. Competency Based Education
 - iii. Prior Learning Assessment
 - iv. Inter-institutional solutions
- c. Technology for active and personalized learning
 - i. Adaptive courseware
 - ii. Online tutoring
 - iii. Training for faculty in new approaches and technologies
 - 1. Embedded learning
 - 2. Universal design
 - 3. Use of adaptive
 - 4. Real-time feedback
 - a. Example: Dashboard design and use
- d. <u>Other mechanisms (can apply to other years and tailored for non-traditional students</u> <u>including returning adults, transfer, military, and other special student groups)</u>
 - i. Policy interventions (e.g., complete core math requirement within three semesters; extender programs for high DFW courses)*
 - ii. Financial aid (summer and emergency funds) and planning*
 - iii. Degree maps and audits*
 - 1. Example: students with 90 or more SCH
 - iv. Outreach to marginal students (e.g., GPA 2.0-2.2)*
 - v. Course format and duration changes*
 - vi. Interventions for non-cognitive factors that impact success (e.g., academic perseverance, growth mindsets, resilience) this area was highlighted in the 2016 National Education Technology Plan just released by the U.S. Dept. of Education

^{*} Applicable to all years

III. What's Needed? An Assessment, Plans, and Measurement

A menu approach to choose evidence-informed interventions to enhance degree completion is needed given the diversity of universities, their missions, and their student bodies. There is a critical need to have institutions do careful assessments of current practices, evaluate results of those practices, and develop a comprehensive plan for partway home and other students with significant work experience. Part of the plan will also be to design competency based education (CBE) programs and courses, and work with all universities to strengthen their assessments of prior learning. The CBE approach works well with students who have work experience, need to progress at their own pace to achieve mastery of a subject, and have focused goals for their degree in mind.

However, the complexity and costs of designing a high quality CBE program cannot be underestimated. To do just two CBE bachelor's degrees, Northern Arizona University had \$1.2 million (from a grant), and the Wisconsin system's DegreeFlex program obtained significant monies to invest. Furthermore, obtaining clearance to qualify for federal financial aid requires significant work. Currently, we have only one staff member leading this initiative with a tiny budget (this year \$100,000 total). This presents a great opportunity to gather important data, especially where the research literature may be less complete, on these interventions. For example, creating longitudinal follow-up on students who complete competency based courses and degree programs is critical to the state's attainment goals for 2025 as well as to provide evidence of impact on job outcomes and earnings as well.

Priority will be given to practices with evidence behind them. Because of the number and diversity of UNC institutions, we will be able to pool data and more quickly assess even highly promising 'practice-based interventions'. This also represents an exciting opportunity to partner with well-established CBE institutions (for example, Western Governors University and institutions in the Competency-Based Education Network such as Brandman University and Southern New Hampshire University). We can also leverage the capabilities of UNC-TV for course delivery.

Priority Initiatives	Target Mechanism	Measures (examples)	Amount Requested
<u>Partway Home Students</u>			
Collecting Data on	Take a student-centric approach	Enrollment of non-	\$200,000
Preferences, Needs	to re-engineering courses and	traditional students, degree	
	programs	attainment	
Specialized Advising,	As above	As above	\$400,000
tutoring			
Redesigning current	As above	As above	\$300,000
courses to either online			
or new format (e.g., 8			
weeks) – targeting high			
demand areas			
Developing Consortium	As above	As above	\$500,000
online degree programs			
Competency Based	Prioritize with meeting key work	Number of programs,	\$1,000,000
Education Degree	force needs	enrollment of non-	
<u>Programs</u>		traditional students, time	
		to degree	
Drien Leanning		tt enerdite siver for prior	¢250.000
Assassment	military and working adults over	# credits given for prior	\$250,000
Assessment		learning assessment	
Development and	Target early adopter faculty, staff		\$350.000
Training in New	and students		1 /
Approaches and Use of			
New Technologies			
Includes licensing costs			
and possible purchase of			
technologies			
		TOTAL	\$3,000,000

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Closing the Skills Gap: STEM & Health Degrees Merit Scholarship Program

Summary: These funds will provide a minimum of 4,000 competitive, merit-based scholarships (at least 1,000 new scholarships per year) to encourage academically gifted and highly sought-after STEM, Health, and Education degree-seeking students in those fields to attend UNC institutions. A small number of scholarships is also included for exceptional students applying to UNCSA. Eligible students include: 1) first time, full-time freshmen students in the top 25th percentile of their entering class and 2) transfer students and upper classmen with a minimum 3.0 grade point average majoring in the degrees above. Up to 40% of the scholarship awards may be to nonresident students, and scholarship award amounts may be increased as students elect related majors. Our universities shall seek private donations to match these scholarships, with a goal of enabling superior academically qualified resident undergraduate students to complete their degree debt-free. Providing at least 1,000 scholarships per year (for four years) costs \$5.0m annually and \$20m total. Maximum scholarship awards per student shall be \$10,000. Cost estimates were based on an average \$5,000 scholarship award.

				Crede	ntials	Top 25th I	Percentile	Minimum		
	# of UG	% Non-		Avg.	Avg. HS			Scholarships	\$5,000 Avg.	Cost Per
Institution	Students	resident	UG Pell %	SAT	GPA	SAT	HS GPA	Per Year	Amount	Year
NCSU	24,111	14%	23%	1,250	4.4	1,320	4.7	100	\$5,000	\$500,000
ECU	23,039	12%	34%	1,061	3.8	1,100	4.2	100	\$5,000	\$500,000
UNCC	22,732	8%	39%	1,096	3.9	1,160	4.2	100	\$5,000	\$500,000
UNCCH	18,415	19%	22%	1,322	4.6	1,370	4.9	100	\$5,000	\$500,000
ASU	16,290	9%	27%	1,151	4.1	1,200	4.4	70	\$5 <i>,</i> 000	\$350,000
UNCG	16,091	7%	45%	1,039	3.6	1,080	4.0	70	\$5 <i>,</i> 000	\$350,000
UNCW	13,235	13%	28%	1,192	4.1	1,190	4.4	70	\$5,000	\$350,000
NC A&T	9,353	20%	60%	918	3.4	960	3.7	70	\$5 <i>,</i> 000	\$350,000
WCU	8,821	9%	37%	1,040	3.8	1,080	4.1	70	\$5,000	\$350,000
NCCU	6,168	9%	73%	885	3.2	920	3.6	40	\$5,000	\$200,000
UNCP	5,680	3%	56%	924	3.4	980	3.8	40	\$5,000	\$200,000
FSU	5,506	5%	64%	865	3.2	910	3.5	40	\$5 <i>,</i> 000	\$200,000
WSSU	4,686	7%	60%	870	3.2	910	3.5	40	\$5,000	\$200,000
UNCA	3,858	12%	37%	1,156	3.8	1,210	4.0	40	\$5,000	\$200,000
ECSU	1,535	9%	93%	841	3.1	895	3.4	40	\$5,000	\$200,000
UNCSA	856	50%	30%	1,118	3.7	1,220	4.2	10	\$5 <i>,</i> 000	\$50,000
Total/Avg.	180,376	11%	37%	1,094	3.9	1,210	4.4	1,000	\$5,000	\$5,000,000

The University of North Carolina Fall 2014 Full-Time Ranked Faculty Salary Information (AAUP Public)

		(a)		(b)		(c)	(d)		(e) (i		(f)
Campus	UN	C Campus	Pe	er Salary at	D	oifference	# of Full-	Cost to Reach		Cost to Reach Total Co	
	A	verage	50t	h Percentile		(b) - (a)	Time Ranked		Peer 50th	including	
		Salary					Faculty		Percentile		Benefits
									(c) x (d)		(e) + 20%
ASU	\$	77,248	\$	79,674	\$	2,426	698	\$	1,693,348	\$	2,032,018
ECU	\$	78,856	\$	87,815	\$	8,959	882	\$	7,901,838	\$	9,482,206
ECSU	\$	69,415	\$	76,555	\$	7,140	109	\$	778,260	\$	933,912
FSU	\$	75,532	\$	69 <i>,</i> 093	\$	(6,439)	227	\$	-	\$	-
NCA&T	\$	83,817	\$	82,251	\$	(1,566)	364	\$	-	\$	-
NCCU	\$	77,496	\$	76,919	\$	(577)	272	\$	-	\$	-
NCSU	\$	101,484	\$	108,155	\$	6,671	1,123	\$	7,491,533	\$	8,989,840
UNCA	\$	74,646	\$	73 <i>,</i> 369	\$	(1,277)	168	\$	-	\$	-
UNC-CH	\$	116,189	\$	122,819	\$	6,630	1,196	\$	7,929,480	\$	9,515,376
UNCC	\$	88,841	\$	89,392	\$	551	714	\$	393,414	\$	472,097
UNCG	\$	83 <i>,</i> 595	\$	86,426	\$	2,831	564	\$	1,596,684	\$	1,916,021
UNCP	\$	64,219	\$	67,373	\$	3,154	217	\$	684,418	\$	821,302
UNCW	\$	76,539	\$	79,741	\$	3,202	509	\$	1,629,818	\$	1,955,782
UNCSA	\$	63,282	\$	88,396	\$	25,114	129	\$	3,239,706	\$	3,887,647
WCU	\$	70,868	\$	73,933	\$	3,065	391	\$	1,198,415	\$	1,438,098
WSSU	\$	75,960	\$	69,487	\$	(6,473)	244	\$	_	\$	-
Total								\$	34,536,914	\$	41,444,297

Notes:

(1) With the exception of UNCSA, faculty includes full-timed ranked faculty: professor, associate professor, and assistant professor; UNCSA and its peers include all academic ranks. Data exclude medical clinical faculty at UNC-CH and ECU.

(2) Analysis includes only public peers for which data were available from AAUP at the time of analysis. UNCSA was calculated based on 2013 information because 2014 was not yet available.

Faculty Recruitment and Retention Fund

The Faculty recruitment and Retention Fund, established in 2006 pursuant to Senate Bill 1741, supports the UNC System's ability to recruit and retain the highest and best qualified faculty members possible. The fund was established with \$5,000,000 with the direction that "allocations from the fund shall be made for salary increases at the discretion of the President of The University of North Carolina only for the purposes of recruiting and retaining faculty members as necessary at constituent institutions." Since the initial appropriation an additional \$8,000,000 has been allocated for this purpose, with the last appropriation being made in FY 2013.

Since the fund's inception, 238 recruitment and 318 retention awards have been made totaling \$17,293,649. Additional payouts, totaling more than the original appropriation, have been made possible by the fund being repaid upon faculty retiring or otherwise leaving the system. The annual award by fiscal year can be found in the below table.

	The University of North Carolina											
FY 2007 - 2015 Recruitment and Retention Award Amounts												
	Recruitme	nt Awards	Retentio	n Awards								
	Total Awards Made	Current Active Awards	Total Awards Made	Current Active Awards	Awards							
2007	\$ 4,075,512	\$2,048,859	\$ 883,769	\$ 744,893	\$ 2,793,752							
2008	\$ 1,352,160	\$1,019,426	\$ 165,348	\$ 135,646	\$ 1,155,072							
2009	\$ 2,564,259	\$1,386,708	\$ 759,165	\$ 657,531	\$ 2,044,239							
2010	\$ 1,585,906	\$1,141,124	\$ 542,946	\$ 431,640	\$ 1,572,764							
2011	\$ 931,335	\$ 762,765	\$ 604,437	\$ 457,387	\$ 1,220,152							
2012	\$ 17,933	\$ -	\$ 228,427	\$ 200,425	\$ 200,425							
2013	\$ 694,333	\$ 694,333	\$ 763,148	\$ 567,554	\$ 1,261,887							
2014	\$ 157,483	\$ 80,008	\$1,020,027	\$ 788,148	\$ 868,156							
2015	\$ -	\$ -	\$ 947,461	\$ 845,538	\$ 845,538							
Current Total	\$11,378,921	\$7,133,223	\$5,914,728	\$4,828,762	\$11,961,985							

Additionally, the need for the continued funding of this program can be seen through the success rate of recruitment and retention. Since 2007 the program has had a 75.2% success rate in the recruitment and 92.13% success rate in the retention of the most qualified faculty. Success rates can be found in the below table.

The University of North Carolina												
FY 2007 - 2015 Recruitment and Retention Awards Success												
Rate												
	Recruitment Active Success Retention Active Succes											
	Awards	Awards	Rate	Awards	Awards	Rate						
2007	88	74	84.1%	29	26	89.6%						
2008	30	30	100.0%	9	9	100.0%						
2009	49	41	83.6%	40	37	92.5%						
2010	51	50	98.0%	36	32	83.8%						
2011	29	27	93.1%	34	33	97.1%						
2012	1	1	100.0%	16	14	87.5%						
2013	9	9	100.0%	52	41	78.8%						
2014	2	1	50.0%	68	57	83.8%						
2015	_	-	N/A	69	64	92.7%						
Current	238	179	75.2%	318	293	92.1%						
Total												

With a remaining fund balance as of January 2016, the unobligated monies remaining in the fund were \$721,584., an additional appropriation in FY 2017 will ensure that this program is continued, and will provide the needed flexibility to continue recruiting and retaining the highest quality faculty members possible.

The University of North Carolina FY 2016-17 Enrollment Change Funding Request Projected Change in SCHs by Campus

		Regular	Term Student Cre	dit Hours		Distance Education Student Credit Hours				
Campus	2015-16 Bi	udgeted	2016-17 Pr	ojected	Total Increase in	2015-16 B	Budgeted	2016-17 P	rojected	Total Increase in
	Undergraduate	Graduate	Undergraduate	Graduate	Regular Term	Undergraduate	Graduate	Undergraduate	Graduate	Distance Education
ASU	448,426	18,788	457,611	19,639	10,036	14,522	11,934	13,379	9,132	(3,945)
ECU*	526,538	38,899	532,000	34,520	1,083	85,204	43,023	102,500	48,047	22,320
ECSU	33,569	407	28,294	305	(5,377)	7,688	227	9,530	119	1,734
FSU	98,680	5,814	98,025	4,888	(1,581)	33,648	4,129	45,221	3,936	11,380
NCA&T	239,958	19,778	233,106	21,259	(5,371)	16,584	5,915	18,041	5,621	1,163
NCCU*	138,447	13,538	137,350	14,321	(314)	29,067	9,127	30,678	7,508	(8)
NCSU*	637,468	127,276	634,386	128,398	(1,960)	27,789	16,766	26,761	19,347	1,553
UNCA	98,156	394	102,010	261	3,721	1,512	-	1,512	-	-
UNC-CH*	486,004	131,694	481,108	130,024	(6,566)	5,300	7,430	11,535	5,669	4,474
UNCC	587,519	59,191	590,658	64,430	8,378	24,070	12,672	24,939	16,947	5,144
UNCG	357,900	52,107	377,713	44,781	12,487	35,222	10,804	42,160	14,163	10,297
UNCP	121,958	7,686	123,330	7,770	1,456	25,741	4,053	25,999	4,093	298
UNCW	329,038	17,025	331,127	17,625	2,689	42,613	5,302	49,012	12,163	13,260
UNCSA*	(U	NCSA projects er	rollment change on	y on the FTE mo	del.)		UNCSA projects e	enrollment change o	only on the FTE mo	odel.)
WCU	216,167	16,894	220,146	14,800	1,885	24,380	8,736	22,816	8,267	(2,033)
WSSU	113,292	8,669	114,800	8,830	1,669	22,974	1,507	22,504	967	(1,010)
NCSSM*	(N	CSSM projects er	rollment change on	ly on the FTE mo	del.)	(NCSSM projects enrollment change only on the FTE model.)				odel.)
Total	4,433,120	518,160	4,461,664	511,851	22,235	396,314	141,625	446,587	155,979	64,627

Notes:

(1) Campuses marked with an asterisk (*) above have additional programs on the FTE Model

(2) The FY 2015-16 budgeted enrollment for UNCP has been adjusted

The University of North Carolina FY 2016-17 Enrollment Change Funding Request Projected Change in FTEs by Campus

		Regular Ter	m Full Time Equiv	alent Students		Distance Education Estimated Full Time Equivalent Students							
Campus	2015-16 B	udgeted	2016-17 P	rojected	Total Change in	2015-16 B	udgeted	2016-17 P	Total Change in Est.				
	Undergraduate Graduate		Undergraduate Graduate		Regular Term FTEs	Undergraduate	Graduate	Undergraduate	Graduate	Distance Ed. FTEs			
ASU	15,150	921	15,460	963	352	491	585	452	448	(176)			
ECU	17,788	2,229	17,973	2,014	(30)	2,879	2,109	3,463	2,355	831			
ECSU	1,134	20	956	15	(183)	260	11	322	6	57			
FSU	3,334	285	3,312	240	(68)	1,137	202	1,528	193	382			
NCA&T	8,107	970	7,875	1,042	(159)	560	290	609	276	35			
NCCU	4,677	1,249	4,640	1,267	(19)	982	447	1,036	368	(25)			
NCSU	21,536	6,682	21,432	6,740	(46)	939	822	904	948	92			
UNCA	3,316	19	3,446	13	124	51	-	51	-	-			
UNC-CH	16,492	10,510	16,321	10,417	(264)	179	364	390	278	124			
UNCC	19,849	2,902	19,955	3,158	363	813	621	843	831	239			
UNCG	12,091	2,554	12,761	2,195	310	1,190	530	1,424	694	399			
UNCP	4,120	377	4,167	381	50	870	199	878	201	11			
UNCW	11,116	835	11,187	864	100	1,440	260	1,656	596	553			
UNCSA	1,091	108	1,104	129	34	-	-	-	-	-			
WCU	7,303	828	7,437	725	32	824	428	771	405	(76)			
WSSU	3,827	425	3,878	433	59	776	74	760	47	(42)			
NCSSM	680	-	680	-	-	159	-	182	-	23			
Total	151,612	30,912	152,583	30,596	655	13,548	6,942	15,270	7,646	2,425			

Total 2015-16 Budgeted FTEs	203,014	
Total 2016-17 Projected FTEs	206,094	
Total Increase	3,080	1.52%

Note:

FTEs are estimated by converting student credit hours. 1 Undergraduate FTE = 29.6 student credit hours and 1 Graduate FTE = 20.4 student credit hours

The University of North Carolina FY 2016-17 Enrollment Change Funding Request Requirements, Receipts, and Appropriation Request

	SCH Based Regular Term				FTE Based Regular Term				Distance Education					Total								
Campus	Estimated	Estimated	A	ppropriation		Estimated	I	Estimated	Ap	opropriation		Estimated		Estimated	A	opropriation		Estimated		Estimated	A	opropriation
	Requirements	Receipts		Request	Re	equirements		Receipts		Request	R	equirements		Receipts		Request	Re	equirements		Receipts		Request
ASU	\$ 4,744,525	\$ 950,263	3\$	3,794,262							\$	(2,539,410)	\$	(658,387)	\$	(1,881,023)	\$	2,205,115	\$	291,876	\$	1,913,239
ECU	\$ (939,248	\$ 998,147	7 \$	(1,937,395)	\$	-	\$	-	\$	-	\$	11,101,100	\$	4,324,656	\$	6,776,444	\$	10,161,852	\$	5,322,803	\$	4,839,049
ECSU	\$ (1,754,839) \$ (531,840)\$	(1,222,999)							\$	468,304	\$	170,832	\$	297,472	\$	(1,286,534)	\$	(361,008)	\$	(925,527)
FSU	\$ 678,381	\$ (178,451)\$	856,832							\$	4,586,804	\$	1,744,783	\$	2,842,021	\$	5,265,185	\$	1,566,332	\$	3,698,853
NCA&T	\$ (882,351	\$ 7,360	\$	(889,711)							\$	952,459	\$	211,177	\$	741,282	\$	70,108	\$	218,537	\$	(148,429)
NCCU	\$ 1,258,453	\$ (2,965,384	4) \$	4,223,837	\$	(350,888)	\$	(330,370)	\$	(20,518)	\$	(1,053,696)	\$	(1,451,090)	\$	397,394	\$	(146,131)	\$	(4,746,844)	\$	4,600,713
NCSU	\$ 1,723,254	\$ 1,620,617	\$	102,637	\$	282,621	\$	-	\$	282,621	\$	3,126,380	\$	1,469,476	\$	1,656,904	\$	5,132,255	\$	3,090,093	\$	2,042,162
UNCA	\$ 1,163,686	\$ 1,206,904	\$	(43,218)							\$	-	\$	-	\$	-	\$	1,163,686	\$	1,206,904	\$	(43,218)
UNC-CH	\$ (5,238,909) \$ (1,289,989)\$	(3,948,920)	\$	(242,520)	\$	153,890	\$	(396,410)	\$	581,664	\$	450,514	\$	131,150	\$	(4,899,765)	\$	(685,585)	\$	(4,214,180)
UNCC	\$ 10,011,281	\$ 3,476,102	\$	6,535,179							\$	3,189,104	\$	1,061,014	\$	2,128,090	\$	13,200,385	\$	4,537,116	\$	8,663,269
UNCG	\$ (3,456,622) \$ 2,279,551	\$	(5,736,173)							\$	11,913,075	\$	2,225,634	\$	9,687,441	\$	8,456,453	\$	4,505,185	\$	3,951,268
UNCP	\$ 528,885	\$ 179,745	5\$	349,140							\$	108,241	\$	37,846	\$	70,395	\$	637,126	\$	217,591	\$	419,535
UNCW	\$ 2,109,390	\$ 156,030) \$	1,953,360							\$	9,310,436	\$	2,571,567	\$	6,738,869	\$	11,419,826	\$	2,727,597	\$	8,692,229
UNCSA	\$-	\$ -	\$	-	\$	1,110,073	\$	449,322	\$	660,751	\$	-	\$	-	\$	-	\$	1,110,073	\$	449,322	\$	660,751
WCU	\$ (569,824	\$ (61,075)\$	(508,749)							\$	(1,222,093)	\$	(295,242)	\$	(926,851)	\$	(1,791,917)	\$	(356,317)	\$	(1,435,600)
WSSU	\$ 336,692	\$ (187,174) \$	523,866							\$	(1,353,038)	\$	(160,870)	\$	(1,192,168)	\$	(1,016,346)	\$	(348,044)	\$	(668,302)
NCSSM	\$ -	\$ -	\$	-							\$	288,774	\$	-	\$	288,774	\$	288,774	\$	-	\$	288,774
Total	\$ 9,712,754	\$ 5,660,806	\$	4,051,948	\$	799,286	\$	272,842	\$	526,444	\$	39,458,104	\$	11,701,910	\$	27,467,420	\$	49,970,145	\$	17,635,558	\$	32,334,586

1,334,586

Additional Amount Requested After \$31M Appropriation Reserve

Eliminate Private Fundraising Cap

University Advancement at the University of North Carolina exists to support bold leadership in higher education with actions that enhance student access; support quality academic performance; and create relevant partnering opportunities for our constituents. Support from private dollars creates the margin of excellence and provides the measure for our universities to transform from good to great.

The advancement cap included in the State budget for FY 2016-17 severely limits the University's ability to raise the necessary resources to advance our mission to educate and provide public service for the people of North Carolina. In addition, the fundraising cap as proposed would eliminate Chancellor flexibility to make fiscal decisions based on strategic priorities.

Most of our university campuses are currently involved in comprehensive fundraising campaigns where the majority of the dollars raised are donor-restricted toward priority initiatives (90% or more) such as endowed scholarships, professorships and other direct academic support. A fundraising cap would seriously undermine the potential for successful comprehensive campaign outcomes.

The cap would negatively impact a strong and proven return on investment. For every dollar invested in development the University raised \$6.76 cash in return and when commitments are included, the return-on-investment increases to \$10.39. Following the recession, and since 2010, UNC has shown consistent growth in total gifts by campus. Between 2010 and 2015 fundraising cash receipted by UNC has increased by 22 percent and the University's endowments increased by 61% over the same period of time.

To compound the problem, most of the system institutions do not have sufficient unrestricted funds available to support existing development staff and programs. This would, in many cases, necessitate new or increased assessments on new gifts, and additional assessments of endowment income as the only other means of supporting and sustaining fundraising programs across the system.

At the heart of the matter, private fundraising supports financial aid for students. Nearly 49,400 of our 220,000 students depend on this support to earn their degrees and become productive citizens and tax payers in our state. Limiting the ability to fundraise on our campuses means that many of these students will have to add more debt as they earn their degrees. Ultimately, private universities and universities outside of North Carolina will become more attractive and competitive for our quality students and faculty who depend on private support to study and teach at our universities. Private funds support academic programs and facilities that help universities better prepare students for the jobs of today and tomorrow.

UNC System Institution	Audited St	tatements	Audited S	Statements	Gifts & Commitments		
	Cash	Gifts &	Cash	Gifts &	Year-to-Year C	hange	
		Commitments		Commitments			
	FY 2013-14	FY 2013-14	FY 2014-15	FY 2014-15	Amount	%	
Appalachian State University	\$14,485,772	\$26,363,770	\$16,754,299	\$27,004,018	\$640,248	2.4%	
East Carolina University	\$21,819,017	\$33,471,821	\$20,519,480	\$39,074,761	\$5,602,940	16.7%	
Elizabeth City State University	\$1,133,859	\$1,133,859	\$1,823,139	\$1,891,275	\$757,416	66.8%	
Fayetteville State University	\$823,350	\$3,950,520	\$1,568,972	\$2,918,242	(\$1,032,278)	-26.1%	
North Carolina A&T State University	\$6,845,694	\$7,281,808	\$7,024,624	\$7,213,411	(\$68,397)	-0.9%	
North Carolina Central University	\$5,420,902	\$5,513,282	\$6,703,894	\$7,633,696	\$2,120,414	38.5%	
North Carolina State University	\$117,534,685	\$187,110,517	\$119,014,658	\$208,473,272	\$21,362,755	11.4%	
University of North Carolina at Asheville	\$1,952,017	\$5,441,458	\$2,954,123	\$5,506,826	\$65,368	1.2%	
University of North Carolina at Chapel Hill	\$298,804,228	\$310,326,947	\$304,694,232	\$446,967,120	\$136,640,173	44.0%	
University of North Carolina at Charlotte	\$15,373,548	\$30,463,628	\$12,400,000	\$24,619,822	(\$5,843,806)	-19.2%	
University of North Carolina at Greensboro	\$10,577,338	\$11,417,814	\$10,945,020	\$11,104,599	(\$313,215)	-2.7%	
University of North Carolina at Pembroke	\$1,425,353	\$1,727,720	\$1,534,737	\$2,025,546	\$297,826	17.2%	
University of North Carolina at Wilmington	\$7,829,230	\$8,021,274	\$7,688,965	\$9,094,642	\$1,073,368	13.4%	
University of North Carolina School of the Arts	\$7,771,187	\$7,853,456	\$10,210,830	\$7,226,291	(\$627,165)	-8.0%	
Western Carolina University	\$3,803,024	\$4,124,070	\$5,496,935	\$15,143,493	\$11,019,423	267.2%	
Winston-Salem State University	\$3,207,139	\$3,455,179	\$3,224,159	\$3,663,689	\$208,510	6.0%	
North Carolina School of Science and Mathematics	\$1,218,244	\$1,259,765	\$2,190,000	\$2,190,000	\$930,235	73.8%	
Total	\$520,024,587	\$648,916,888	\$534,748,067	\$821,750,703	\$172,833,815	26.6%	

Development Totals (Cash and Pledges) by Campus -- FY 2013-14 versus FY 2014-15

Return on Investment (Cash and Pledges) by Campus -- FY 2014-15

UNC System Institution	Total Gift Receipts	FY14-15 Development Budget	ROI: Total Cash Received per Dev. \$1.00 invested	Total Effort: Gifts, Commitments, and Pledges	ROI: Total Commitment per Dev. \$1.00 invested		
Appalachian State University	\$16,754,299	\$4,224,000	3.97	\$27,004,018	6.39		
East Carolina University	\$20,519,480	\$5,251,573	3.91	\$39,074,761	7.44		
Elizabeth City State University	\$1,823,139	\$1,186,171	1.54	\$1,891,275	1.59		
Fayetteville State University	\$1,568,972	\$1,110,308	1.41	\$2,918,242	2.63		
North Carolina A&T State University	\$7,024,624	\$2,213,307	3.17	\$7,213,411	3.26		
North Carolina Central University	\$6,703,894	\$1,912,857	3.50	\$7,633,696	3.99		
North Carolina State University	\$119,014,658	\$11,478,039	10.37	\$208,473,272	18.16		
University of North Carolina at Asheville	\$2,954,123	\$1,954,024	1.51	\$5,506,826	2.82		
University of North Carolina at Chapel Hill	\$304,694,232	\$35,600,000	8.56	\$446,967,120	12.56		
University of North Carolina at Charlotte	\$12,400,000	\$3,204,630	3.87	\$24,619,822	7.68		
University of North Carolina at Greensboro	\$10,945,020	\$2,454,252	4.46	\$11,104,599	4.52		
University of North Carolina at Pembroke	\$1,534,737	\$996,507	1.54	\$2,025,546	2.03		
University of North Carolina at Wilmington	\$7,688,965	\$1,618,394	4.75	\$9,094,642	5.62		
University of North Carolina School of the Arts	10,210,830	\$1,778,983	5.74	\$7,226,291	4.06		
Western Carolina University	\$5,496,935	\$2,298,959	2.39	\$15,143,493	6.59		
Winston-Salem State University	\$3,224,159	\$1,562,288	2.06	\$3,663,689	2.35		
North Carolina School of Science and Mathematics	\$2,190,000	\$269,936	8.11	\$2,190,000	8.11		
	\$534,748,067	\$79,114,228	6.76	\$821,750,703	10.39		

UNC System Institution	FY 2004-05	FY 2009-10	FY2014-15	5-Yr. Chg	10-Yr. Chg
Appalacian State University	47,520,162	56,140,707	101,860,029	81%	114%
East Carolina University	69,842,000	98,981,025	170,014,750	72%	143%
Elizabeth City State University	2,624,054	3,524,155	6,013,665	71%	129%
Fayetteville State University	8,465,541	13,555,913	19,773,161	46%	134%
North Carolina A&T State University	14,884,312	24,011,651	48,099,851	100%	223%
North Carolina Central University	14,359,165	17,199,654	29,363,774	71%	104%
North Carolina State University	139,727,604	503,110,000	983,979,000	96%	604%
University of North Carolina at Asheville	16,568,061	23,898,860	40,081,968	68%	142%
University of North Carolina at Chapel Hill	1,432,550,726	1,963,344,871	2,967,023,831	51%	107%
University of North Carolina at Charlotte	42,096,124	122,245,274	166,591,692	36%	296%
University of North Carolina at Greensboro	137,839,991	171,820,426	250,272,470	46%	82%
University of North Carolina at Pembroke	6,012,336	9,256,441	21,202,860	129%	253%
University of North Carolina at Wilmington	33,541,958	51,967,393	88,117,743	70%	163%
University of North Carolina School of the Arts	20,261,066	22,145,447	52,178,567	136%	158%
Western Carolina University	24,474,069	39,034,252	67,235,412	72%	175%
Winston-Salem State University	13,796,871	16,141,562	27,153,940	68%	97%
Total	2,024,564,040	3,136,377,631	5,038,962,713	61%	149%

Total Endowment 10-Year Trends